

ENTERED

May 25, 2023

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	Chapter 11
)	
CORE SCIENTIFIC, INC., <i>et al.</i>,¹)	Case No. 22-90341 (DRJ)
)	
Debtors.)	(Jointly Administered)
)	
)	Re: Dkt. No. 825

**ORDER AUTHORIZING RETENTION OF
FTI CONSULTING, INC. AS FINANCIAL ADVISOR FOR THE OFFICIAL
COMMITTEE OF EQUITY SECURITY HOLDERS EFFECTIVE AS OF APRIL 8, 2023**

Upon the application (the “Application”) of the Official Committee of Equity Security Holders (the “Committee”) of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for an order under Bankruptcy Code section 1103 authorizing the Committee to retain FTI Consulting, Inc. (“FTI”), as financial advisors; and upon the Scruton Declaration² in support of the Application; and due and adequate notice of the Application having been given; and it appearing that no other notice need be given; and it appearing that FTI neither holds nor represents any interest adverse to the Debtors’ estates; and it appearing that FTI is “disinterested,” as that term is defined in Bankruptcy Code section 101(14); and it appearing that the relief requested in the Application is in the best interest of the Committee and the Debtors’ estates, after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. In accordance with Bankruptcy Code sections 328, 330, and 1103, Bankruptcy

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6073); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

² Capitalized terms used in this order not otherwise defined have the meaning given to them in the Application.

Rules 2014 and 2016, and Local Rules 2014-1 and 2016-1, the Committee is authorized to employ and retain FTI as its financial advisor effective as of April 8, 2023 on the terms set forth in the Application, except as limited or modified by this Order.

2. FTI shall file interim and final fee applications for the allowance of compensation for services rendered and reimbursement of out-of-pocket expenses incurred in accordance with the procedures set forth in Bankruptcy Code sections 330 and 331, and applicable provisions of the Bankruptcy Rules, the Local Bankruptcy Rules, and any applicable procedures and orders of this Court. For billing purposes, FTI shall keep its time in one tenth (1/10) hour increments.

3. In the event that, during the pendency of these chapter 11 cases, FTI seeks compensation and reimbursement of actual and necessary expenses, including for any attorneys' fees and expenses, the invoice and supporting time records from such attorneys, appropriately redacted to preserve applicable privileges, shall be included in FTI's fee application and such invoices and time records shall be in compliance with the Bankruptcy Local Rules and subject to approval of the Court under the standards of Bankruptcy Code 330 and 331, without regard to whether such attorney has been retained under Bankruptcy Code section 1103; *provided, however*, that FTI shall not seek reimbursement from the Debtors' estates for any fees incurred in defending any of FTI's fee applications in these chapter 11 cases.

4. The following indemnification provisions are approved:

- a. subject to the provisions of subparagraphs (b) and (c) below, the Debtors are authorized to indemnify, and shall indemnify, FTI for any claims arising from, related to, or in connection with the services to be provided by FTI as specified in the Application, but not for any claim arising from, related to, or in connection with FTI's performance of any other services other than those in connection with the engagement, unless such services and indemnification therefor are approved by this Court; and
- b. the Debtors shall have no obligation to indemnify FTI for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen primarily from FTI's gross negligence, willful

misconduct, breach of fiduciary duty (if any), bad faith, or fraud, unless the Court determines that indemnification would be permissible pursuant to applicable law, or (ii) settled prior to a judicial determination as to FTI's gross negligence, willful misconduct, breach of fiduciary duty (if any), bad faith, or fraud, but determined by this Court, after notice and a hearing, to be a claim or expense for which FTI is not entitled to receive indemnity under the terms of this Order; and

- c. if, before the earlier of (i) the effective date of a chapter 11 plan in these chapter 11 cases and (ii) the entry of an order closing these chapter 11 cases, FTI believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification obligations under this Order, including, without limitation, the advancement of defense costs, FTI must file an application in this Court, and the Debtors may not pay any such amounts to FTI before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by FTI for indemnification, and not as a provision limiting the duration of the Debtors' obligation to indemnify FTI.

5. FTI shall provide ten (10) business days' notice to the Debtors, the Official Committee of Unsecured Creditors in these chapter 11 cases, the U.S. Trustee, and the Committee before any increase in the hourly rates listed in the Application is implemented. The U.S. Trustee retains all rights to object to any rate increases on all grounds, including the reasonableness standard set forth in section 330 of the Bankruptcy Code and the Court retains the right to review any rate increase pursuant to section 330 of the Bankruptcy Code.

6. Notwithstanding anything in the Application to the contrary, FTI shall, (a) to the extent FTI uses the services of independent or third-party contractors, subcontractors, or employees of foreign affiliates or subsidiaries (collectively, the "Contractors") in these chapter 11 cases, FTI shall pass-through the fees and costs of such Contractors to the Debtors at the same rate that FTI pays the Contractors, (b) seek reimbursement for actual costs only, (c) ensure that the Contractors are subject to the same conflict checks as required for FTI, and (d) file with the Court such disclosures required by Bankruptcy Rule 2014.

7. FTI will review its files periodically during the pendency of these chapter 11 cases

to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, FTI will use reasonable efforts to identify such further developments and will promptly file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

8. FTI shall use its reasonable efforts, and coordinate with the Committee and their other retained professionals, to avoid any duplication of services provided by any of the Committee's other retained professionals.

9. If there is any inconsistency between the terms of the Application, the Scruton Declaration, and this Order, this Order shall govern.

10. Notwithstanding anything contained herein to the contrary, this Order shall be subject in all respects to the limitations, parameters and conditions set forth in the *Agreed Order Directing the Appointment of an Official Committee of Equity Security Holders* [Docket No. 642].

11. This Court shall retain jurisdiction with respect to all matters arising or related to the implementation of this Order.

Signed: May 24, 2023.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

United States Bankruptcy Court
Southern District of Texas

In re:
Core Scientific, Inc.
Official Committee of Unsecured Creditor
Debtors

Case No. 22-90341-drj
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0541-4
Date Rcvd: May 25, 2023

User: ADIuser
Form ID: pdf002

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Total Noticed: 40

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.
++	Addresses marked '++' were redirected to the recipient's preferred mailing address pursuant to 11 U.S.C. § 342(f)/Fed. R. Bank. P. 2002(g)(4).
^	Addresses marked '^' were sent via mandatory electronic bankruptcy noticing pursuant to Fed. R. Bank. P. 9036.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on May 27, 2023:

Recip ID	Recipient Name and Address
db	+ American Property Acquisition, LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ American Property Acquisitions I, LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ American Property Acquisitions VII, LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Core Scientific Acquired Mining LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Core Scientific Mining LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Core Scientific Operating Company, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Core Scientific Specialty Mining (Oklahoma) LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Core Scientific, Inc., 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ RADAR LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Radar Relay, Inc., 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
db	+ Starboard Capital LLC, 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
intp	+ Board of Directors of Core Scientific, Inc., c/o Peter C. Lewis, Scheef & Stone, L.L.P., 500 North Akard Street, Suite 2700, Dallas, TX 75201-3306
intp	+ Condair Inc., c/o John S. Collins, Vorys, Sater, Seymour and Pease LLP, 909 Fannin, Suite 2700, Houston, TX 77010-1009
cr	+ Dalton Utilities, Howley Law PLLC, 711 Louisiana Street, Ste. 1850, Houston, TX 77002-2790
cr	+ GEM Mining 1, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	+ GEM Mining 2, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	+ GEM Mining 2B, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	+ GEM Mining 3, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	+ GEM Mining 4, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	+ Indigo Direct Lending, LLC, c/o Ross, Smith & Binford, PC, Attn: Frances A. Smith, 700 N. Pearl Street, Suite 1610 Dallas, TX 75201-7459
cr	+ J.W. Didado Electric, LLC, c/o Leonard I. Pataki, Quanta Services, 4500 S. Garnett Road, Suite 100, Tulsa, OK 74146-5221
cr	+ LV.NET, LLC, 1221 S. Casino Center Blvd., Las Vegas, NV 89104, UNITED STATES 89104-1015
cr	+ Maddox Industrial Transformer, LLC, c/o Mary M. Caskey, Esq., Haynsworth Sinkler Boyd, PA, PO Box 11889, Columbia, SC 29211-1889
intp	+ McCarthy Building Companies, Inc., c/o Watt, Tieder, Hoffar & Fitzgerald, L, 1765 Greensboro Station Place, Suite 1000, McLean, VA 22102-3468
cr	++ NEXTERA ENERGY RESOURCES, ATTN C/O SHIRLEY PALUMBO ESQ, 700 UNIVERSE BLVD JB LAW, JUNO BEACH FL 33408-2657 address filed with court:, NextEra Energy Resources, LAW/JB, 700 Universe Blvd., Juno Beach, FL 33408, UNITED STATES
cr	+ North Mill Equipment Finance LLC, c/o Padfield & Stout, LLP, Christopher V. Arisco, 420 Throckmorton Street, Suite 1210, Fort Worth, TX 76102-3792
cr	+ Pescadero Capital, LLC, Building LAW/JB, 700 Universe Blvd, Juno Beach, FL 33408, UNITED STATES 33408-2657
cr	+ Quinn Emanuel Urquhart & Sullivan, LLP, c/o Asher Griffin, 300 W 6th Street, Suite 2010, Austin, TX 78701 UNITED STATES 78701-3901
cr	+ Tanmar Rentals, LLC, c/o Wells & Cuellar, P.C., 440 Louisiana Suite 718, Houston, TX 77002, UNITED STATES 77002-1058
cr	+ Tenaska Power Services Co., c/o Ross & Smith, P.C., Attn: Jason Binford, 2003 N. Lamar Blvd., Suite 100 Austin, TX 78705-4932
intp	+ U.S. Bank National Association, as Prepetition Not, c/o Shipman & Goodwin LLP, One Constitution Plaza, Hartford, CT 06103-1803
cr	+ c/o James Bailey Esq Gaylor Electric, Inc., d/b/a, Bradley Arant Boulton Cummings LLP, One Federal Place, 1819 5th Ave. N, Birmingham, AL 35203-2119

TOTAL: 32

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

District/off: 0541-4

User: ADIuser

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Date Rcvd: May 25, 2023

Form ID: pdf002

Total Noticed: 40

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
cr	+ Email/Text: ahochheiser@mauricewutscher.com	May 25 2023 20:24:00	AmTrust North America, Inc. on behalf of Associate, c/o Maurice Wutscher LLP, 23611 Chagrin Blvd. Suite 207, Beachwood, OH 44122-5540
cr	+ Email/Text: beanland@mssattorneys.com	May 25 2023 20:24:00	BEAM Concrete Construction, Inc., c/o Misti L. Beanland, 8131 LBJ Freeway, Suite 700, Dallas, TX 75251-1352
cr	+ Email/Text: dallas.bankruptcy@LGBS.com	May 25 2023 20:24:00	Dallas County, Linebarger Goggan Blair & Sampson, LLP, c/o John K. Turner, 2777 N. Stemmons Freeway, Suite 1000, Dallas, TX 75207-2328
cr	^ MEBN	May 25 2023 20:21:40	GEM Mining 1, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	^ MEBN	May 25 2023 20:21:40	GEM Mining 2, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	^ MEBN	May 25 2023 20:21:39	GEM Mining 2B, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	^ MEBN	May 25 2023 20:21:39	GEM Mining 3, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	^ MEBN	May 25 2023 20:21:38	GEM Mining 4, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	+ Email/Text: rmcowell@slgcollect.com	May 25 2023 20:24:00	Meridian Equipment Finance, LLC, c/o Saldutti Law Group, 1040 Kings Highway N., Suite 100, Cherry Hill, NJ 08034-1925
cr	Email/Text: shirley.palumbo@nexteraenergy.com	May 25 2023 20:24:00	NextEra Energy Resources, LAW/JB, 700 Universe Blvd., Juno Beach, FL 33408, UNITED STATES
cr	+ Email/Text: schristianson@buchalter.com	May 25 2023 20:23:00	Oracle America, Inc., Buchalter PC, c/o Shawn M. Christianson, 425 Market St., Suite 2900, San Francisco, Ca 94105-2491
cr	+ Email/Text: neil.orleans@judithwross.com	May 25 2023 20:24:00	Tenaska Power Services Co., c/o Ross & Smith, P.C., Attn: Judith W. Ross, 700 N. Pearl Street, Suite 1610, Dallas, TX 75201-7459
cr	^ MEBN	May 25 2023 20:21:18	Texas Comptroller of Public Accounts, Revenue Acco, Christopher S. Murphy, P.O. Box 12548, Austin, TX 78711-2548
cr	+ Email/Text: BKECF@traviscountytx.gov	May 25 2023 20:24:00	Travis County, c/o Jason A. Starks, P.O. Box 1748, Austin, TX 78767-1748

TOTAL: 14

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
cr		36th Street Capital Partners, LLC
cr		ABLe Communications, Inc.
cr		Ad Hoc Group of Secured Convertible Noteholders
cr		Anchorage Lending CA, LLC
intp		B. Riley Commercial Capital, LLC
cr		Barings BDC, Inc.
cr		Barings Capital Investment Corporation
cr		Barings Private Credit Corp.

District/off: 0541-4

User: ADIuser

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cr	BlockFi Lending LLC
cr	BlockFi, Inc. and its affiliated entities
cr	Bremer Bank
cr	Brown Corporation Brown Corporation, 311 Pointe North Place #4, Dalton, UNITED STATES
cr	CEC Energy Services LLC
cr	Celsius Mining, LLC
cr	Charles Basil
cr	City of Denton
cr	Coonrod Electric Co. LLC
intp	Foundry Digital LLC
cr	General Casualty Company of Wisconsin
intp	Harper Construction Company, Inc.
cr	Huband-Mantor Construction, Inc.
cr	Humphrey & Associates, Inc.
cr	MK Marlow Company, LLC
cr	MP2 Energy Texas LLC d/b/a Shell Energy Solutions
cr	Marnoy Interests, Ltd. d/b/a Office Pavilion
cr	MassMutual Asset Finance, LLC
cr	Mitch Edwards
cr	NYDIG ABL LLC
intp	Official Committee of Equity Security Holders
crem	Official Committee of Unsecured Creditors
cr	Prime Alliance Bank, Inc.
cr	Priority Power Management, LLC
intp	SRPF A QR Riversouth LLC
cr	Sphere 3D Corp.
cr	Summit Electric Supply Company, Inc.
cr	TOYOTA INDUSTRIES COMMERCIAL FINANCE INC.
cr	Texas Capitalization Resource Group, Inc., 5201 Camp Bowie Blvd. Suite 200, Fort Worth
intp	The Ad Hoc Equity Group
intp	Trilogy LLC
intp	Trinity Capital Inc.
cr	Wingspire Equipment Finance, LLC

TOTAL: 41 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: May 27, 2023

Signature: /s/Gustava Winters